There has been some slippage in the execution of the projects of NFL.MFL, and FACT mentioned above largely on account of delayed equipment supplies. This has impacted on the pace of utilization of the allocated resources.

A system of periodical reviews and close monitoring of the projects under implementation and those on the anvil has been instituted to minimise the possibility of time over run and assume optimal utilization of the allocated resources.

Status of Gorakhpur Fertilizer unit.

4453. SHRI SANJAY NIRUPAM:
SHRI VIRENDRA KATARIA:
SHRI MUKESH R. PATEL:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Gorakhpur unit of the Fertilizer Corporation of India is not working for a long time, if so, the details thereof;

(b) the steps being taken to restart the plant as per the assurance given by Hon'ble Prime Minister; and

(c) the financial loss suffered till date, due to closure of the unit, alongwith the annual expenditure being incurred on the unit?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHIEES RAM OLA): (a) and (b) The Gorakhpur unit of Fertilizer Corporation of India Ltd. (FCI) has been shut down since 10.6.90 following an accident in the plant, The revamp of the Gorakhpur unit was not found to be techno-cconomically viable. However, KRIBHCO evinced an interest in taking-over the infrastructure of FCI at Gorakhpur for setting up a new standard sized ammonia /urea plant and has, accordingly initiated steps for obtaining the requisite approvals.

(c) The Gorakhpur unit has suffered a net loss of Rs. 465.99 crore during the period 1990-91 to 1996-97. An annual expenditure of Rs. 18.74 crore is being incurred towards salary, wages and standing charges of the unit.

Agreement between HFCL and HLL regarding handling of ammonia

4454. SHRIMATI CHANDRA KALA PANDEY:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is an agreement between Hindustan Fertilzer Corporation Limited (HFCL) and Hindustan Liver Limited (HLL) for handling of ammonia from Atmospheric Ammonia Storage Tank of Haldia Fertilizer Project;

(b) whether the agreement had been signed in 1986 and renewed from time to time;

(c) the handling charge per tonne as per the first agreement charged by HFCL from HLL and the handling charge per tonne as on date; and

(d) whether a provision for rebate was included in the last agreement; if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHEES RAM OLA): (a) and (b) Yes, Sir.

(c) The first agreement signed in 1986 between the Hindustan Fertilizer Corporation Ltd. (HFC) and Hindustan Lever Ltd. (HLL) provided for payment of handling charges to HFC at the rate of Rs. 579 per MT. This has since been revised to Rs. 778 per MT as per the current agreement.

(d) The agreement provides for a 40% rebate on the quantities handled in excess of 38000MT per annum so as to attract additional tonnage for handling with a view to optimising the utilisation of idle manpower and infrastructural facilities of Haldia fertilizer project of HFC and supplementing its income generation.

Change in the feedstock policy of fertilizers

4455. SHRI V. RAJESHWAR RAO: Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) whether there has been a drastic change in the feedstock policy for fertilizers; if so, the details thereof;

(b) the effects of this change in policy; and

(c) the steps being taken to ensure adequate supply?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS. (SHRI SHEES RAM OLA): (a) to (c) As the demand for natural gas from different sectors of the economy has out-stripped the supply, it is no longer possible to cover the incremental demand of the fertilizer sector through gas linkages. In view of the constraints in the availability of the natural gas, new capacities are increasingly being based on naphtha. The existing gas based plants as well as new projects have been encouraged to incorporate the facilities for use of alternative fueHeedstock so as to acquire greater flexibility of operation.

The use of naphtha as feedstock results in higher capital and operating costs. The indigenous availability of naphtha, which is quite adequate for the present requirements, can be supplmented by imports, if required.

Fixation of charges for secondary movement of fertilizers

4456. SHRI VIRENDRA KATARIA; Will the Minister of CHEMICALS & FERTILIZERS be pleased to state;

(a) when the charges for secondary movement of fertilizers was fixed with the details thereof;

(b) whether Government have any proposal to revise it; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHEES RAM OLA) (a) A Statement giving State-wise charges for secondary movement of fertilizers and the dates from which they have been effective is attached- *{See* below).

(b) and (c) There is a proposal to revise these rates. The proposal also envisages a mechanism for revision of these rates on regular basis.